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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/737,846	12/18/2000	Masashi Uyama	1359.1033	9089

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EXAMINER

CARLSON, JEFFREY D

ART UNIT	PAPER NUMBER
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3622

DATE MAILED: 09/13/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/737,846

Applicant(s)

UYAMA ET AL.

Examiner

Jeffrey D. Carlson

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NW

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 01 June 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-18 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-18 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____

JDC

DETAILED ACTION

1. This action is responsive to the paper(s) filed 6/1/04.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-17 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

- Claim 17 does not provide a concrete, useful and tangible result. The claim should include a positive step of ad delivery in order to accomplish such a result. The claim requires that a request for ad delivery be made, yet this stops short of accomplishing the concrete, useful and tangible result of ad display/delivery.
- Claims 1-17 are "not within the technological arts." In the present application, the body of the claims do not set forth at least one computer-based feature responsible for providing a non-trivial feature of the invention. Examiner suggests specifically including a computer processor, computer program, computer server, etc that carries out the automated steps in the bodies of the claims. See below.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings

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and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held

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that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the

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patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

Claim Rejections - 35 USC § 103

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. Claims 1-3, 6-9, 14-18 are rejected under 35 U.S.C. 103(a) as being unpatentable over DiStefano, III (US6631400) in view of Gardenswartz et al (US6298330). DiStefano, III teaches the storage of customer/prospect (user) profiles which specify the types of ads they are willing to receive. Shops/Marketers access the

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system and request that ads be sent to targeted subsets of the stored users 1:42-60, 2:37-55, 3:52-60, 4:1-15]. The identification of matching users is taken to provide a searching operation resulting in a prospect/customer distribution list. Gardenswartz et al teaches that the advertising includes store identification where that product offer can be used [col 14 lines 29-54]. It would have been obvious to one of ordinary skill at the time of the invention to have included such information with the advertising of DiStefano, III so that users are not encouraged to shop at unnamed competitors, as taught by Gardenswartz et al. The step of determining what store(s) the product offer should specify inherently includes searching store information for stores that are capable of selling the identified product which is the subject of the advertising. The mere participation by the shop/retailer in the advertising process provides the step of allowing the shops to determine whether an ad is distributed to the prospective customers; no ads would be sent without the shops desire to send the ads. The step of searching for matches in the computer-stored user profiles provides a step of including users who desire ads matching the target category as well as a step of excluding users who do not desire ads matching the target category. Further however, Official Notice is taken that opt-in and opt-out techniques are well known in the advertising industry and it would have been obvious to one of ordinary skill at the time of the invention to have used opt-in and opt-out information provided by the store(s) to include certain prospects/customers and to exclude certain prospects/customers from the advertising. Further, applicant's claims do not require any distinction between prospective customers and "regular" customers. Both are treated as mere "consumers" at this time.

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Regarding claim 8, DiStefano, III teaches that the targeted ads can be scheduled for future delivery [6:20-22]. It would have been obvious to one of ordinary skill at the time of the invention to have allowed last minute changes/deletions/additions to the user profiles so that delivery of the targeted ads can be sent to the most recently accurate subset/list of consumers.

4. Claims 4, 10, 11 are rejected under 35 U.S.C. 103(a) as being unpatentable over DiStefano, III in view of Gardenswartz et al and Hoffberg (US6252544). Official Notice is taken that it is well known to charge the manufacturer as well as retailer/shop for provided advertising. Hoffberg teaches that advertising costs can be recovered by charging per ad impression. It would have been obvious to one of ordinary skill at the time of the invention to have charged the ad provider as well as the retail store for advertising based on each delivered ad. As stated above, applicant's claims do not require any distinction between prospective customers and "regular" customers. Both are treated as mere "consumers" at this time. A unit fee for each recipient can be the same for those consumers who may be considered by applicant as prospects and those considered by applicant as regular customers – such would read on the claimed fee arrangement; the shop/retailer pays a certain amount for the total number of ads sent.

5. Claims 5, 12, 13 are rejected under 35 U.S.C. 103(a) as being unpatentable over DiStefano, III in view of Gardenswartz et al and Gough et al (US6360221). Official

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Notice is taken that it is well known to charge the manufacturer as well as retailer for provided advertising. Gough et al teaches that advertising costs can be recovered by charging per sale generated by the ad recipient. It would have been obvious to one of ordinary skill at the time of the invention to have charged the ad provider as well as the retail store for advertising based on each successful sale.

Response to Arguments

6. Regarding the 101 rejections, examiner points out that claim 17 does not provide ad delivery, only a request for ad delivery. The lack of technology is a separate rejection. Claims 1-17 do not provide the requisite technology. Examiner suggests specifically including a computer processor, computer program, computer server, etc that carries out the automated steps in the *bodies* of the claims. Reference to technology in the claim preambles is insufficient.

As stated above, applicant's claims do not require any distinction between prospective customers and "regular" customers. Both are treated as mere "consumers" at this time.

The references do not explicitly state a step of searching shop information for a shop capable of selling the article, yet this is implicit in the combined invention. An ad stating where the article can be purchased necessarily includes research/identification/searching available shop information to determine which shop(s) can sell the article.

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Examiner believes the motivations provided are adequate. As applicant points out, the motivation may come from the knowledge generally available to one of ordinary skill. The proposed benefits are taken to be within the knowledge of one of ordinary skill and properly set forth motivation.

Conclusion

7. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

- Druckenmiller et al (US6167435) and McCollom et al (US6343274) each teach systems for consumers to request and receive targeted advertising.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jeffrey D. Carlson whose telephone number is 703-308-3402. The examiner can normally be reached on Mon-Fri 8:30-6p, (off on alternate Fridays).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on 703-305-8469. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Jeffrey D. Carlson
Primary Examiner
Art Unit 3622

jdc